From:	Evan Pressman <epressman@ergo.net>
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CC:	RP Eddy <rpeddy@ergo.net>
Date:	Sat, 5/10/2014 2:12:50 AM
Subject:	Kazakhstan-Mozambique overview

Mr. Prime Minister:

Below is an overview of what we'd like to suggest to Vespa (client code name) with respect to their activities in Kazakhstan and Mozambique. We would greatly appreciate if you could help us convey this to them, in the hopes of us securing a meeting to discuss in person. Please let us know if you have any questions. Thanks again.

Kazakhstan situation:

- Vespa having real trouble with Kashagan. Pipelines are not suitable and Vespa needs to rebuild them on their own dime.
- They need to outlay several billion dollars, and the banks won't finance it.

Mozambique situation:

- Vespa has a big gas field, but needs $20-30B to develop, and they don't have the cash. They're looking to sell a big chunk of that concession, to bring cash in as well as a partner to share capex.
- They have been negotiating with China. CNPC has already bought some of the field; Vespa is trying to sell them more.
- Vespa is also trying to sell a stake to Abu Dhabi; perhaps a swap for a producing Abu Dhabi oil field. Abu Dhabi thinks this makes no sense (producing oil for non-producing gas)
- Vespa is having similar talks with Qatar.
- Vespa is trying to figure out how to reduce its liability in Mozambique and at the same time generate liquidity.

How Ergo can help:

- Ergo can assist Vespa to rationalize what they should ask for.
- We have close contacts and connections with PRC and GCC leadership on these issue.
- We know the views of the decision-makers on these issues.
- We could help Vespa develop a proposition and position an exit.
- We can also help with investment ideas, find deals, and help execute them in China, especially as China moves toward privatization and seeks strategic buyers and partners.

Best,
Evan

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